

20044

March 2, 1964

Mr. A. W. Randall, Vice President
Mutual of Omaha
Box 1298
Omaha 1, Nebraska

Dear Al:

In accordance with our discussions in your office when I visited you, the information contained in the following paragraphs should, I hope, enable you to furnish us with the needed information regarding the establishment of the new plan. This should be a new plan separate from any we have at present.

As you recall, what we have in mind will be a hospitalization and surgical plan similar to the Association Plan, and a life insurance plan similar to the Federal Employees Group Life Insurance Plan (FEGLI). These two plans could be in the form of a separate program entirely, and would be for the use of those people no longer eligible for the above subject plans, i. e. Association and FEGLI. These new plans should not only provide the required coverage during their period of employment but should also provide the same retirement rights, i. e. in the case of the hospitalization plan, the right to continue the same plan; and in the case of the life insurance plan, reducing coverage to a guaranteed amount, etc.

As I pointed out to you, this could grow into a large number of employees, but in starting it is expected that there will be from 8 to 21 employees starting in this group. Four of these are females in the age group of from 25 to 40 and one is 67. There are about 16 male employees, with an average age of about 38, of which 10 are in the age group of 40 to 50, 4 are 28 to 39, and one each in the age groups 54 and 63.

With these facts, it would be greatly appreciated if you can come up with a plan based on the number stated above but which can be expanded to an indefinite size, the submission, of course, also to include premiums.

Before I forget it, may I again express my appreciation for the kindness and helpful assistance you and your staff afforded me during my brief stay in Omaha. Mr. Conway is an excellent guide. Hope he enjoyed his visit here and that you are satisfied with his talks with [REDACTED]

STAT

Again, many thanks, and if there are any questions regarding the above, please let me know.

Sincerely,

STAT

[REDACTED]
VICE PRES.

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM				
UNCLASSIFIED		CONFIDENTIAL		SECRET
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP				
TO	ADDRESS	INITIALS	DATE	
1		C/23		
2	STAT			
3				
4				
5				
6				
ACTION		DIRECT REPLY	PREPARE REPLY	
APPROVAL		DISPATCH	RECOMMENDATION	
COMMENT		FILE	RETURN	
CONCURRENCE		INFORMATION	SIGNATURE	
Remarks: I sent the original in to D/Pen and am now glad I did. See <div style="text-align: center; margin-top: 20px;">STAT</div>				
FOLD HERE TO RETURN TO SENDER				
FROM: NAME		PHONE NO.	DATE	
STAT				
UNCLASSIFIED		CONFIDENTIAL		SECRET

TRANSMITTAL SLIP		DATE 11 Feb 64
TO: C/BS		
ROOM NO.	BUILDING	
REMARKS: STAT Thanks for sending this in. Mr. Echols has given the original to [] who says that it will be re-submitted, with appropriate modification, thru [] [] STAT STAT STAT		
FROM: []		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

☆ GPO : 1957-O-439445

(47)

21 January 1964

MEMORANDUM FOR: Chief, Benefits and Services Division

STAT ATTENTION : Chief, Insurance Branch

SUBJECT : Life and Health Insurance
Conversion Contract Types

STAT 1. As Mr. Hill discussed with yesterday, DODS (and possibly other Agency echelons) currently is faced with the possibility of converting some staff employees and staff agents to contract employee or career agent status because of newly imposed personnel ceilings. In order, however, to encourage selected employees to elect to convert to contract status it probably will be necessary to make available life insurance coverage which would be comparable to FEGLI and health insurance with the same provisions as the existing Agency coverage for staff employees.

2. As you know, FEGLI provides staff employees with term life insurance in the amount of their annual salary while employed and after retirement is paid up to age 65. This paid up coverage then declines 25% per year after 65 until one quarter of the total coverage is reached at no cost to the employee. This compares with the currently available contract life insurance which provides only coverage to \$15,000, and is available only if the applicant is under 60, is reduced 50% in coverage at age 65 and is completely terminated at age 70. We should like to request your assistance in determining what commercial insurance is available and the cost of the premiums for life coverage for contract types which would be comparable to FEGLI, especially with respect to conversion without medical examination on contract expiration and is paid up on retirement to age 65 thence declining in coverage to a base of 25% of coverage.

3. In the same manner, the present contract health insurance plan available for contract types is similar to the Agency health plan for staff employees but it is not available after retirement as is true with the Agency plan. We would appreciate your determining how much a commercially available plan would cost per month and any restrictions which might be necessary.

4. To assist you in developing life and health plans outlined above, we expect to have from 8 to 21 staff employees whom we may wish to see converted to contract status. Four of these are females in the age group of from 25-40 and one is 67. There are about 16 male officers with an average age of about 38 of which 10 are in the age group of 40-50 while 4 are 28 to 39 and one each in ages 54 and 63.

*orig. to
Sherry
11 Nov 64*

SECRET

-2-

5. As you can appreciate we would desire to be able to offer essentially the same social benefits to contract employees as are currently available to staff types. If we can do this it would facilitate the conversion of some employees to contract status. Negotiations are soon to be entered into with certain selected employees for conversion and it would be helpful if you could advise us in this regard as soon as possible. As you can appreciate, this problem probably will affect other divisions and your research and development of cost figures will be most helpful.

For Chief, DODS

STAT

ECH:ed

Distribution:

Original & 2 - Addressee

21 January 1964

MEMORANDUM FOR: Chief, Benefits and Services Division

STAT ATTENTION : Chief, Insurance Branch [redacted]
SUBJECT : Life and Health Insurance
Conversion Contract Types

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For Chief, DORS

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HCH:ed

Distribution:

Original & 2 - Addressee

GOVERNMENT EMPLOYEES HEALTH ASSOCIATION

POST OFFICE BOX 463

WASHINGTON 4, D. C. 20044

February 13, 1964

Mr. A. W. Randall, Vice President
Mutual of Omaha
Box 1298
Omaha 1, Nebraska

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*when I visited
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VICE PRES.

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